

**Jefferson-Pilot Insurance Company vs. Christopher L. Kearney
John L. Roberson**

**C-1-02-479
5/7/2004**

Page 18	Page 20
<p>1 Q. The people who create those proposals, are they</p> <p>2 mindful of the actual provisions of policies?</p> <p>3 A. Yes.</p> <p>4 Q. And does Jefferson-Pilot train its marketing folks and</p> <p>5 claims analyst folks about how the policies that are</p> <p>6 issued are interpreted?</p> <p>7 A. (No response)</p> <p>8 Q. There's a long pause in your answer. Is there a</p> <p>9 reason for that? Did you understand the question?</p> <p>10 A. I didn't fully understand it, no. Do you want to --</p> <p>11 Q. Okay. To me it could go one way or the other. You</p> <p>12 have a company with a whole bunch of employees, the</p> <p>13 company sells policies, and either you leave it up to</p> <p>14 everybody to come to their own understanding of what</p> <p>15 the policy means -- and hopefully it's the same</p> <p>16 understanding -- or the company gives direction or</p> <p>17 provides some education about what the policy says.</p> <p>18 Which one of those was it at Jefferson-Pilot?</p> <p>19 A. We would review new policies with the claims analysts</p> <p>20 and with the underwriting personnel.</p> <p>21 Q. Who is we?</p> <p>22 A. Myself primarily for our department.</p> <p>23 Q. So who would -- for the marketing folks who prepare</p> <p>24 these proposals, did they obtain any training or</p> <p>25 education about what the actual policies provide, or</p>	<p>1 policy provides?</p> <p>2 A. I don't recall one.</p> <p>3 Q. Are you mindful of a proposal ever having to be</p> <p>4 scrapped because it was wrong and a new template of a</p> <p>5 proposal was created for distribution to the agents in</p> <p>6 the field?</p> <p>7 A. Not that I recall.</p> <p>8 Q. Do you receive any retirement income from</p> <p>9 Jefferson-Pilot?</p> <p>10 A. Yes.</p> <p>11 Q. Still today?</p> <p>12 A. Yes.</p> <p>13 Q. Have you ever spoken to anyone at Disability</p> <p>14 Management Services?</p> <p>15 A. No.</p> <p>16 Q. Do you know what company that is that I refer to?</p> <p>17 A. No.</p> <p>18 Q. Are you mindful from speaking to counsel or anyone</p> <p>19 else that they were engaged to administer claims on</p> <p>20 behalf of Jefferson-Pilot?</p> <p>21 A. I was advised of that, yes.</p> <p>22 Q. Okay. But you've never spoken to anybody there?</p> <p>23 A. No.</p> <p>24 Q. And you're not aware of them being engaged to assist</p> <p>25 in the administration of any claims prior to your</p>
Page 19	Page 21
<p>1 if a new marketing person was hired on a given day, to</p> <p>2 create a proposal, was he or she just supposed to come</p> <p>3 up with their own understanding of what the policy</p> <p>4 means?</p> <p>5 A. Proposals were standardized. I think they were on</p> <p>6 some type disk. I don't remember, fully remember the</p> <p>7 process.</p> <p>8 Q. So the head of the Marketing Department with input</p> <p>9 from someone in Actuarial and Legal would create the</p> <p>10 proposal?</p> <p>11 A. I think that's correct.</p> <p>12 Q. Okay. The company just didn't leave to each</p> <p>13 employee's own determination what the policy says or</p> <p>14 means; the company provided education and training to</p> <p>15 its employees about what the policies say or provide,</p> <p>16 right?</p> <p>17 A. Correct.</p> <p>18 Q. Okay. And based on that education and training and</p> <p>19 input from other departments, the persons responsible</p> <p>20 for developing the proposals would create those</p> <p>21 proposals, and I guess you suggested there was some</p> <p>22 kind of template form of a proposal that was blessed</p> <p>23 by the company; is that right?</p> <p>24 A. Yes.</p> <p>25 Q. Did you ever see a proposal that misstated what the</p>	<p>1 retirement?</p> <p>2 A. They were not, I can tell you that, no.</p> <p>3 Q. Okay. Do you know when it was that Jefferson-Pilot</p> <p>4 made the business decision to stop selling disability</p> <p>5 insurance policies?</p> <p>6 A. Well, the line was discontinued I think July 1, 1996,</p> <p>7 and the decision would have been made sometime prior</p> <p>8 to that. As I said before, it's a management</p> <p>9 decision, or I should say it was a management</p> <p>10 decision, not is a management.</p> <p>11 Q. Was Clyde Honaker employed by the company when you</p> <p>12 retired?</p> <p>13 A. I don't recall.</p> <p>14 Q. He was an employee of the company at some point,</p> <p>15 though, right?</p> <p>16 A. He was with Kentucky Central, who was purchased by</p> <p>17 Jefferson-Pilot. He subsequently came to Greensboro</p> <p>18 to head up the Ordinary Claims Department. I only met</p> <p>19 Clyde for a short period after I retired, so I don't</p> <p>20 recall when he came here.</p> <p>21 Q. He arrived in Greensboro after you retired; is that</p> <p>22 what you're saying?</p> <p>23 A. As far as I know.</p> <p>24 Q. Okay. What's ordinary claims refer to? What's that</p> <p>25 nomenclature mean?</p>

6 (Pages 18 to 21)

Reported By: Rebecca J. Huddy

Huseby, Inc. An Affiliate of Spherion, 1230 W. Morehead St., Suite 408, Charlotte, NC 28208 (704) 333-9889

Fax (704) 372-4593

Jefferson-Pilot Insurance Company vs. Christopher L. Kearney
John L. Roberson

C-1-02-479
5/7/2004

<p align="right">Page 50</p> <p>1 A. Yes.</p> <p>2 Q. You then went to the effort of engaging on behalf of</p> <p>3 the company Callaghan & Nawrocki?</p> <p>4 A. That's correct.</p> <p>5 Q. Callaghan & Nawrocki is a CPA firm located in New York</p> <p>6 that specializes in work for disability insurance</p> <p>7 companies; isn't that correct?</p> <p>8 A. I think that's correct.</p> <p>9 Q. You used them on several occasions during your</p> <p>10 employment at Jefferson-Pilot?</p> <p>11 A. I don't recall ever having used them before.</p> <p>12 Q. How do you know that they specialize in disability</p> <p>13 insurance matters?</p> <p>14 A. I was told that by a reinsurer, I believe.</p> <p>15 Q. Okay. Prior to their engagement for Mr. Kearney's</p> <p>16 claim?</p> <p>17 A. Yes.</p> <p>18 Q. Who was the reinsurer that told you that?</p> <p>19 A. It was Employers Reinsurance Corporation.</p> <p>20 Q. Who at Employers Reinsurance would have told you that?</p> <p>21 A. I don't recall.</p> <p>22 Q. Is there any memorialization of your communications</p> <p>23 with Employers Reinsurance that's in the claim file?</p> <p>24 A. Not that I recall.</p> <p>25 Q. Why would you not put that in the claim file?</p>	<p align="right">Page 52</p> <p>1 and audit his financial records is not of significance</p> <p>2 to the claimant?</p> <p>3 MR. ELLIS: Objection to form.</p> <p>4 A. He would have been contacted --</p> <p>5 Q. But your communication with Employers Reinsurance</p> <p>6 about initiating that investigation, why is that not</p> <p>7 in the claim file?</p> <p>8 A. I don't recall what type communications. It may have</p> <p>9 been just a general question and I don't recall</p> <p>10 specifically discussing this other than I know that</p> <p>11 from -- we got this name from Employers Reinsurance</p> <p>12 Corporation. It may have been mentioned just in</p> <p>13 general for processing the residual claims of</p> <p>14 independent employees. I don't know that we</p> <p>15 specifically mentioned Mr. Kearney with them or not.</p> <p>16 Q. That's directly contradictory to what you just told me</p> <p>17 five minutes ago. You told me five minutes ago that</p> <p>18 you hired Callaghan & Nawrocki for the first time ever</p> <p>19 on Mr. Kearney's claim at the instruction or on the</p> <p>20 counsel or some contact of Employers Reinsurance.</p> <p>21 MR. ELLIS: Objection.</p> <p>22 Q. Wasn't that your testimony just a few minutes ago,</p> <p>23 sir?</p> <p>24 A. I don't see where that conflicts with what I said here</p> <p>25 in that I may or may not have mentioned his name</p>
<p align="right">Page 51</p> <p>1 A. I don't know that it was of any significance.</p> <p>2 Q. Aren't you supposed to document everything you do on a</p> <p>3 claim and put it in the claim file?</p> <p>4 A. Yes.</p> <p>5 Q. Why did you not do that when you spoke to Employers</p> <p>6 Reinsurance about your interest in investigating Mr.</p> <p>7 Kearney through Callaghan & Nawrocki?</p> <p>8 A. I said as far as I know, I don't recall having put</p> <p>9 anything in there, other than we got the letter saying</p> <p>10 that we did it.</p> <p>11 Q. Isn't it as a matter of protocol required that you</p> <p>12 document that type of communication in Mr. Kearney's</p> <p>13 claim file?</p> <p>14 A. Not necessarily, no.</p> <p>15 Q. Why would you not -- why is it not appropriate to</p> <p>16 document communication you had about your desire to</p> <p>17 investigate a claimant? Why is that not appropriate</p> <p>18 for putting in the claim file?</p> <p>19 A. It may be of no significance.</p> <p>20 Q. To whom?</p> <p>21 A. To anybody.</p> <p>22 Q. The fact that a claimant has provided you with his tax</p> <p>23 returns and then you want to have him investigated by</p> <p>24 a firm that specializes on behalf of insurance</p> <p>25 companies in disability matters to investigate further</p>	<p align="right">Page 53</p> <p>1 specifically, but yes, that was -- the information</p> <p>2 that they gave us was the reason or -- the reason I</p> <p>3 used them is because they gave me that information on</p> <p>4 this time of claim.</p> <p>5 Q. Who performed the Equifax activities check and why is</p> <p>6 it not in the claim file?</p> <p>7 A. I have no idea.</p> <p>8 Q. You see that you sent him an Equifax activities check?</p> <p>9 I think you're ahead of me, sir. I'm on the November</p> <p>10 15, '96 fax transmittal cover sheet to Ernie Smith.</p> <p>11 A. Now, what's your question again?</p> <p>12 Q. Who obtained the Equifax report?</p> <p>13 A. Who in our office requested it?</p> <p>14 Q. I don't know if it was in your office or some third</p> <p>15 party.</p> <p>16 A. Well, we would have requested it. One of the claims</p> <p>17 analysts would have requested it.</p> <p>18 Q. Why is that not documented in the claim file and why</p> <p>19 is the Equifax report not in the claim file?</p> <p>20 A. I don't know that it's not.</p> <p>21 Q. It's not in the one that was given to me.</p> <p>22 A. I don't know.</p> <p>23 Q. Should it be in there?</p> <p>24 A. Any report that Equifax gave us should be in the claim</p> <p>25 file.</p>

14 (Pages 50 to 53)

Reported By: Rebecca J. Huddy

Huseby, Inc. An Affiliate of Spherion, 1230 W. Morehead St., Suite 408, Charlotte, NC 28208 (704) 333-9889

Fax (704) 372-4593